

00352

**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

James Scarborough  
Transp.

FILE: B-187110

DATE: February 15, 1977

MATTER OF: Lufthansa German Airlines

**DIGEST:** Payments in dollars for air transportation between foreign countries via foreign airlines may be made at prevailing bankers' exchange rates in accordance with the governing regulations of the international airline organization resolutions.

Lufthansa German Airlines requests a review of the settlement action taken by the United States Army Central Finance and Accounting Office, Europe (ACFAOE), on eight of its bills for charges for transporting eight shipments of air cargo originating at supply bases in Germany and consigned to destinations in Italy or Chad. As submitted by Lufthansa the bills were based on rates expressed in dollars in applicable tariffs, with the resulting charges adjusted in amount to the prevailing bankers rates for conversion of dollars to deutsche marks, the currency of the country in which the shipments originated. In making payment of the bills ACFAOE reduced the amounts claimed to the basic tariff charges without any currency adjustment.

Pursuant to authority provided in 49 U.S.C. 66, as amended by Public Law 93-604, 88 Stat. 1960, the Administrator, General Services Administration designated ACFAOE as designee to audit and settle accounts involving charges for transportation service furnished for the account of the United States arising in Europe. See 41 F.R. 2446. Under 49 U.S.C. 66(b), as so amended, Lufthansa is authorized to request the Comptroller General to review the action taken on its claim.

The records pertaining to the matter transmitted here by Lufthansa and ACFAOE show that the final action taken in the matter by ACFAOE was by letter of July 31, 1975. Lufthansa did not address its request for review to the Comptroller General until February 18, 1976. However the delivery dates on all the shipments were in 1975, and the three year period of limitation provided in 49 U.S.C. 66(a) had not yet run as to any shipment; thus Lufthansa's request for review was timely filed.

So far as pertinent here, paragraph 6, International Air Transport Association (IATA) Resolution 150 021LL (amended) provides as follows:

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"PAYMENT OF RATES IN THE COUNTRY OF  
COMMENCEMENT OF TRANSPORTATION

- (6) payment of rates in the country of commencement of transportation shall be made as follows:

\* \* \* \* \*

- (c) TC1 ONLY in US or Canadian Dollars; provided that the equivalent of the local currency tariff, established in accordance with Paragraph (3) above, in the country in which transportation commences is collected at the bankers buying rate of exchange for the US or Canadian currency tendered or the Resolution 021b rate, whichever produces the higher amount;"

The referred-to Paragraph (3) of Resolution 021LL reads:

- "(3) the levels of local currency rates shall be those resulting from the present application of Resolution 021f, as amended for any agreed (or otherwise applicable) adjustments of such rates and as further adjusted by the provisions of any Resolution adopted to adjust selling rates in a local currency."

The referred-to Resolution 021f provides, in Paragraph (3) as follows:

- "(3) Payment of Fares and Rates in Country of Commencement of Transportation

\* \* \* \* \*

- (c) notwithstanding Subparagraphs b(1) and (ii) above, payment for these fares and rates may also be permitted as follows:
- (1) TC1 ONLY in US or Canadian Dollars; provided that the equivalent of the local currency tariff in the country

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in which transportation commences  
is collected at the banker's buying  
rate of exchange for the US or Canadian  
currency tendered or the US or  
Canadian Dollar tariff, whichever  
produces the higher amount."  
(Underscoring supplied.)

The several quoted provisions of the various IATA Resolutions are entirely consistent, and require, when transportation is wholly outside the United States, that payment be made at the dollar tariff rate or the bankers buying rate of exchange for U.S. dollars, whichever is higher. Accordingly, Lufthansa's claim in amounts totaling \$271.71, is for allowance by ACFAOE, if otherwise proper. The voucher is forwarded herewith.

The copies of documents transmitted here indicate that all of the involved billings were submitted by Lufthansa on or before April 10, 1975. Paragraph 4 of ACFAOE's report in the matter indicates that since April 1975 it has been the airlines' practice to submit their invoices in local currencies and that payments have been made accordingly to their billing branches in Europe. Although not stated, we assume that this necessarily results in adjustment of charges to the bankers buying rate. We perceive no legal objection to continuance of that practice.

  
Deputy Comptroller General  
of the United States